

# ***THE ENVIRONMENTAL SITE ASSESSMENT (ESA)***

## **PROTECTING YOUR CLIENT**

*The Facts About ESA's*



## THE ESA AND YOU

Whether you represent a buyer, a financial institution making loans, an insurer issuing policies, or are a property buyer, managing environmental liability is one of the most important issues you will face in commercial property transfers.

The Environmental Site Assessment (ESA) performed by a Registered Environmental Assessor (REA) is your primary means to ensure that all parties to the transaction are adequately protected from environmental liability by the “innocent landowner” defense.

The “innocent landowner” defense under State and Federal Superfund laws requires that the purchaser perform an assessment using “all appropriate inquiry into the previous ownership and uses of the property consistent with good commercial or customary practices...” (42 USC § 9601(35)(B)).

## OBJECTIVES OF THE ESA

The ESA is a detailed evaluation designed to identify recognized environmental conditions which could present a hazard to users of the property or the environment.

The ESA determines the presence or likely presence of hazardous substances or petroleum products on a property that indicate an existing release, a past release, or a material threat of a release into any structure, the ground, groundwater, or surface water at the property.

# THE ESA PROCESS

The ESA is typically conducted by an REA using standard practices developed by the American Society for Testing and Materials. These practices define the process used by the REA to perform the ESA.

There are typically four components to the ESA:

- Records Review
- Site Reconnaissance
- Interviews
- Report

## THE RECORDS REVIEW

During the **records review**, the REA identifies conditions at the property. The records review utilizes publicly available, relevant documents accessible within a reasonable time and at a reasonable cost. The records review should also evaluate other properties within a reasonable distance, to help assess the likelihood that environmental problems at another location may affect the property.

The REA should collect and evaluate the following information:

- Physical Setting Records
- Historical Use Records
- Prior Assessments

## SITE RECONNAISSANCE

The REA performs **site reconnaissance** to identify the likelihood of recognizing environmental conditions in connection with the property.

The REA should visually and physically observe the property and any structure located on the property, to the extent possible. The assessor should observe the periphery of the property and the interior of any structure.

The REA should investigate, evaluate and note, to the extent possible, the following:

- Current and past property usage
- Current and past uses of adjoining properties and surrounding areas
- Geologic, hydrogeologic, hydrologic and topographic conditions
- Interior and exterior of structures
- Presence of hazardous substances or petroleum products

## INTERVIEWS

The REA should interview current and prior property owners and occupants to obtain information indicating recognized environmental conditions. The assessor should attempt to obtain information about the property uses and conditions from these individuals. Local government officials may also be interviewed during this process to obtain information about past inspections, complaints, or incidents in connection with the property.

## THE REPORT

The report of findings should thoroughly document all investigations and evaluations conducted during the ESA. While the report format may vary among REAs, the following information should be included:

- Summary
- Introduction
- Site description
- Records review
- Information obtained from the site reconnaissance and interviews
- Findings and conclusions
- Signatures of environmental professional(s)
- Assessor stamp (for Registered Environmental Assessors)
- Qualifications of participating professionals

You have a right to a thorough, high quality product from any contractor performing an ESA.

## WHAT YOU CAN DO

Selection of an environmental assessor may be one of the most important decisions you make.

To ensure you obtain a qualified individual capable of performing the assessment use a Registered Environmental Assessor.

**The Registered Environmental Assessor I and II are recognized by the State of California as environmental professionals qualified to perform Environmental Site Assessments.**

## **WHERE TO OBTAIN ASSISTANCE**

OEHHA maintains records of qualified assessors. To obtain a list of State approved REAs in your area, contact the REA program staff at the number below. We can save you time and frustration in locating a qualified assessor.

**REA Hotline (916) 324-6881**

**CALIFORNIA ENVIRONMENTAL  
PROTECTION AGENCY**

**OFFICE OF ENVIRONMENTAL  
HEALTH HAZARD ASSESSMENT**

**REGISTERED ENVIRONMENTAL  
ASSESSOR PROGRAM**

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